Housing Starts

Alberta housing starts dip from recent high...

After hitting a two-and-a-half-year high in October, Alberta's housing starts retreated 10.3% in November to 28,700 units. Even with the retreat, housing starts have strengthened markedly in the fall after a very slow start to the year and are up a sharp 32% compared to November 2010. Nationally, housing starts slumped 13.3% in the month of November, mainly due to weakness in the Toronto area.

New Housing Price Index

Alberta house prices edge higher ...

After bottoming out in mid 2009, Alberta housing prices continue to remain relatively stable. New homes prices inched higher in October by 0.3%, after registering flat readings the previous two months. Of all cities tracked by Statistics Canada, Edmonton posted the largest increase (+0.6%). Year-over-year, new house prices are up marginally, by 1.1% in Edmonton and by 0.3% in Calgary.

Building Permits

Alberta permits stay ahead of last year...

The value of building permits rose 13.3% on a year-over-year basis ($969.4 million) for the fourth straight month in October, an indication that building activity is strengthening compared to the same time last year. While up year over year, permits could not keep up with levels reached the previous two months, falling 11.3% from September.

International Merchandise Trade

Alberta exports continue to track above 2010 levels...

Exports continued to climb on a year over year basis in October (+18.1%), driven by higher energy and agriculture prices. Alberta exports have not declined year over year in nearly two years. However, compared to the previous month, exports were down 6.1% as a result of declines in energy, forestry, and machinery & equipments.

Canadian Dollar (US¢/C$)		
-0.4%	December 9, 2011	98.03
	December 2, 2011	98.38
	2011-12 Fiscal YTD Average	101.32
WTI Oil US$/bbl*		
-0.6%	December 9 2011	$99.41
	December 2, 2011	$100.96
	2011-12 Fiscal YTD Average	$95.09
Nymex Natural Gas US$/MMBtu*		
-7.3%	December 9, 2011	$3.32
	December 2, 2011	$3.58
	2011-12 Fiscal YTD Average	*$4.04*

*Based on the closing price of the near month contract

After a quick stint in the black, Canada's trade balance is back in the red. The trade balance swung from a surplus of $1.0 billion in September to a deficit of $885 million in October. Exports declined 3% while imports increased 1.9%.

Farm Product Price Index

Farmers continue to receive higher prices...

For the fourteenth consecutive month, Canadian farmers have benefitted from higher commodity prices. The farm product prices Index rose 12.7% in September from the same month last year due to gains in both livestock and field crops.

Ivey Purchasing Manager's Index (PMI)

Purchasing activity increases ...

The Ivey PMI advanced 10.1% in November to 59.9 (seasonally adjusted), indicating improvement in purchasing activities across Canada. Generally, a reading above the 50-point threshold signals expansion in purchasing.

Bank of Canada Interest Rate Decision

Rates on hold...

The Bank stayed on the sidelines this week, leaving the overnight rate at 1%. In justifying its decision, the bank cited stronger than expected results from Canada and the US, but increasing global uncertainty and the deteoration of the European debt crisis.

International Economy

Most of Europe agrees to further integration...

European authorities continue to grapple with the Euro debt crisis. On Friday, EU leaders, with the exception of Britain, agreed to draft a new treaty that furthers fiscal policy integration within the union. The European Central Bank, after cutting its lending rate to 1% this week, will maintain its current bond buying plan to help support eurozone members bond yields.

Current Economic Indicators

Population	2009	2010	2011YTD*	June	July	Aug	Sep	Oct	Nov
Population [1] (000's) (level)	3,672	3,721	3,779	--	3,779	--	--	--	--
% change	2.2	1.3	1.6	--	1.6	--	--	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	13,660	--	4,720	--	--	--	--
Net International Migration [1] (level)	16,835	21,533	22,081	--	7,080	--	--	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-7,988	--	1,233	--	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,090	2,091	2,103	2,110	2,118	2,126	2,130
% change	-1.3	-0.4	3.7	3.5	3.8	4.2	4.8	4.3	4.8
Unemployment Rate (%)	6.6	6.5	5.5	5.6	5.5	5.6	5.4	5.1	5.0
Participation Rate (%)	74.3	72.9	73.6	73.7	73.9	74.1	74.2	74.1	74.1
Average Weekly Earnings ($)	950.01	993.13	1,034.20	1,038.46	1,026.42	1,044.26	1,042.77	--	--
% change	2.8	4.5	4.6	4.7	2.6	4.3	3.8	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.3	2.1	1.9	2.9	2.8	3.4	--
Excluding food and energy	1.4	0.8	0.7	0.2	0.4	0.8	1.4	1.1	--
Non-Res. Building Cons. Price Index [2]	-9.8	-0.1	3.1	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	16.4	16.5	15.5	10.8	12.7	--	--
Crops NEW!	-18.9	-14.5	17.6	22.6	21.2	7.4	8.0	--	--
Livestock	-2.8	5.7	16.6	14.1	13.8	15.4	14.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	25.0	23.7	25.6	31.2	24.3	32.0	28.7
% change NEW!	-31.6	33.5	-8.7	-11.6	-12.6	32.8	-12.0	23.6	32.3
New Housing Price Index	-9.0	0.5	0.4	0.3	0.1	0.2	0.0	0.7	--
Edmonton NEW!	-11.2	-0.8	0.9	1.2	1.1	0.9	0.6	1.1	--
Calgary	-6.7	1.7	-0.1	-0.3	-0.8	-0.5	-0.5	0.3	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	355.2	351.7	353.6	356.9	362.4	358.1	--
% change	-3.1	3.1	0.7	-1.3	0.4	2.4	2	2.9	--
Edmonton	319.1	326.5	324.8	322.6	326.1	325.5	332.5	326.9	--
% change	-3.5	2.3	-1.4	-1.8	0.0	-1.3	1.5	0.6	--
Calgary	384.3	397.4	402.2	399.3	399.2	405.7	408.5	402.6	--
% change	-4.2	3.4	0.8	-2.3	-0.9	3.6	-0.4	1.6	--
Retail Sales	-8.3	6.0	6.4	7.8	6.6	6.8	7.5	--	--
New Motor Vehicle Sales	-21.7	9.3	7.4	17	6.7	5.1	4.3	--	--
Consumer Bankruptcies	9,986	8,150	4,929	649	534	595	--	--	--
% change	64.6	-18.4	-10.9	-16.6	-14.7	-3.3	--	--	--
Business Sector									
Rigs Drilling	128	207	276	150	240	323	346	335	330
% change	-45.6	61.3	42.2	26.9	20.8	45.4	95.5	28.7	19.4
Goods Exports (customs based)	-36.6	12.4	16.0	12.8	16.4	24.5	27.2	18.1	--
Energy	-40.2	17.2	17.1	11.9	19.2	25.2	27.3	21.9	--
Agriculture NEW!	-12.3	-14.4	9.1	-0.2	8.4	7.4	29.5	23.3	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.4	--	15.0	--	--	--	--
Manufacturing Shipments	-23.7	11.0	17.5	16.4	17.0	18.3	22.4	--	--
Wholesale Trade	-15.9	10.8	14.2	18.3	15.7	13.8	12.1	--	--
Building Permits	-14.2	2.1	7.4	-14.9	17.4	39.4	29.6	13.2	--
Residential NEW!	-11.8	24.7	-0.3	-3.6	9.5	29.0	33.3	22.5	--
Non-residential	-16.3	-19.0	18.7	-26.1	30.3	53.0	24.6	0.9	--
Business Bankruptcies	405	378	174	16	15	26	--	--	--
% change	-9.4	-6.7	-32.3	-30.4	-44.4	-13.3	--	--	--

Government of Alberta ■
Finance

Alberta

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

[2] Quarterly, average of Calgary and Edmonton

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province